

“This excellent book reveals how UCLA Health System has become an even greater institution because it is committed to care.”

—Joycelyn Elders, M.D., former U.S. Surgeon General

Prescription *for* Excellence

LEADERSHIP LESSONS FOR
CREATING A WORLD-CLASS
CUSTOMER EXPERIENCE FROM
UCLA HEALTH SYSTEM

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The UCLA Health System Experience: What Everyone Can Learn from Greatness in Healthcare

Greatness is so often a courteous synonym for great success.

—PHILIP GUEDALLA

Imagine having to run a successful business that requires the innovation of Apple, the commitment to safety of NASA, and the customer service of Ritz-Carlton. Furthermore, imagine that your mandate demands that you be a world-class educator, your work product holds life and death in the balance, and you are responsible for discoveries that shape the future of medicine. But wait; there's more! You have to achieve your complex mission in a highly political, cost-competitive industry. From imagination to reality, you are about to dive deeply into the challenges and leadership lessons of UCLA Health System!

While a book about a premier medical research and training center is obviously relevant for anyone who is in healthcare, its appropriateness for other industries might not be readily apparent. In fact, you may be asking: what does UCLA Health System, a leader in a complicated and often maligned sector of our economy, have

to offer me if my business is banking, retail, hospitality, or something else? The short, albeit incomplete, answer is how to

- Catapult your business to preeminence at an unusually rapid pace.
- Transform the satisfaction and engagement of your customers through a service-centric approach.
- Achieve meteoric profitability during economic downturns—despite aggressive competition.
- Achieve decades of recognition as a quality and safety leader.
- Create revolutionary improvement in your employee engagement and empowerment.
- Redesign, elevate, and humanize your customer experience.

Despite having a background working as an organizational development specialist, when UCLA approached me to write this book I was initially skeptical about whether UCLA Health System would be the “right” source for business lessons. (Of course, my cynicism may have been amplified by my not having been accepted by UCLA’s graduate school years ago, and instead having attended its crosstown rival USC.)

For me, an author of books about businesses that provide great customer and employee experiences, such as the Pike Place Fish Market in Seattle, Starbucks Coffee and Tea Company, and the Ritz-Carlton Hotel Company, UCLA Health System seemed an unlikely subject for a book. Suffice it to say that my experiences with the UCLA leadership convinced me that these lessons needed to be told. In fact, the profits from this book will be donated to Operation Mend (more on this program in Chapter 11) in support of UCLA Health System’s overall mission.

Are you ready to learn from one of America's top healthcare systems, owned by 30 million citizens of California, with 4 hospitals; more than 75 clinics; in excess of 80,000 inpatient hospital contacts; 1,000,000 clinic visits annually; 1,500 physicians; 1,500 residents and fellows; 3,500 nurses, therapists, technologists, and support personnel; 1,000 volunteers; 120 physicians cited in the "Best Doctors in America" poll; and a world-renowned medical school that is among the top 10 in the nation in medical-research funding, the David Geffen School of Medicine at UCLA? If so, your lessons are about to begin. But let's first examine UCLA Health System's humble start and rapid ascent to the top tier of medical excellence.

GOING WEST IN THE ATOMIC AGE

Traditionally, centers of medical excellence were found in the northeastern and Great Lakes regions of the United States, with highly revered institutions such as Johns Hopkins in Baltimore, Maryland, and the Mayo Clinic in Rochester, Minnesota. As World War II came to a close, however, a group of physicians began pressuring the University of California to create a premier medical center in southern California. In response to these influential physicians, the University of California Board of Regents voted in 1945 to appropriate \$7 million to fund a medical school at UCLA.

In 1947, Stafford L. Warren, a professor from the University of Rochester Medical School in New York, was appointed as the UCLA medical school's first dean. Picking a handful of exceptional faculty leaders from the University of Rochester and Johns Hopkins, UCLA School of Medicine began without a hospital or advanced research facilities. Scientists instead worked in temporary Quonset huts in distant locations around the campus. As construction of the new medical center began in 1951, the first UCLA School of Medicine class was being admitted. Fifteen

faculty members provided courses to 28 students—26 men and 2 women—who attended classes in a reception lounge of an old religious conference building.

In 1950, just prior to the beginning of construction on the medical center building, a *Los Angeles Times* reporter called it “one of the greatest medical meccas in the world.” Newspaper reports indicated that the medical center would “combine a complete undergraduate medical school, a fully equipped and staffed hospital and the most advanced research facilities possible.” In the article, Dean Stafford Warren remarked that the medical campus would be “the first structure of its size and nature to be specifically designed for the Atomic Age with operating rooms and radiology department built where they serve both the flow of function and, incidentally, protection against disaster.”

That protection from disaster served the UCLA medical complex well from its opening in 1955 until 1994, when the main medical building experienced interior structural damage as a result of the Northridge earthquake. Given concerns for patient safety in the context of earthquake risks, the California legislature amended existing legislation and required all hospitals to house their acute- and intensive-care units in earthquake-safe buildings by 2008. As a result of that legislation, the “medical mecca” of the 1950s gave way to the Ronald Reagan UCLA Medical Center (RRUCLA).

SCOPE OF THE MODERN ENTERPRISE

The Ronald Reagan UCLA Medical Center is named after the former U.S. president and California governor. Including state-of-the-art equipment purchases, the construction costs exceeded \$1 billion. Funding sources included more than \$300 million in private donations, including \$150 million in the name of President Reagan; \$432 million in federal earthquake relief funds; and \$44 million in California state contributions. The 10-story building, with more than a million square feet, has 520 private patient

rooms and employs 1,500 full-time physicians and more than 2,500 support staff. The building, which opened to patients in June 2008, is constructed to withstand an 8.0 magnitude earthquake and was one of the first buildings in California created to meet the state's elevated seismic standards.

The Mattel Children's Hospital UCLA occupies a 90-bed unit in the Ronald Reagan UCLA Medical Center. Similarly, the medical center houses the Stewart and Lynda Resnick Neuropsychiatric Hospital at UCLA, a 74-bed independently accredited and licensed hospital.

In addition to the hospitals housed in the Ronald Reagan UCLA Medical Center on UCLA's Westwood, California, campus, UCLA Health System also owns and operates the 271-bed acute-care Santa Monica-UCLA Medical Center and Orthopaedic Hospital in the neighboring community of Santa Monica. The Santa Monica hospital has had a presence in its community since 1926 and was acquired in 1995. Much like the Ronald Reagan UCLA campus, the Santa Monica-UCLA Medical Center has been modernized to the highest technology standards and serves as a parallel extension of the academic medical center in Westwood.

Adjacent to the Ronald Reagan UCLA Medical Center are three professional office buildings that make up the UCLA Medical Plaza. These buildings house more than 75 outpatient clinics providing care across a wide range of medical specialties. In addition to these clinics, UCLA Health System oversees the UCLA Medical Group, which is composed primarily of UCLA faculty physicians from the David Geffen School of Medicine at UCLA. The UCLA Medical Group provides traditional community-based outpatient health services to private-pay patients, as well as those covered by all forms of insurance, via regional clinics found in the Los Angeles area.

The hospitals and clinics exist not only for the clinical care of patients, but also to support the educational and research objectives of the David Geffen School of Medicine at UCLA. While

providing world-class education for medical students, residents, and fellows, the medical school also participates in research designed to create breakthroughs in diagnosis, treatment, and medical-care delivery. The integration of medical school training, research, and clinical care is reflected in the institutes and centers that are a part of UCLA Health System. A list of these programs can be found in Appendix A.

IT'S COMPLICATED, IT'S BROAD IN SCOPE, BUT HOW IS IT EXCELLENT?

While you now have a sense of the wide scope of UCLA Health System, scope should not be confused with significance, and we all know that bigger often does not mean better. So, what has the leadership at UCLA done to warrant your time and attention? From UCLA Health System's inception, its leaders have achieved success in four areas that are critical to every business enterprise:

1. Growing while maintaining quality
2. Inspiring innovation while generating cohesion
3. Balancing technological advances with humanity
4. Achieving recognition and respect for extraordinary accomplishments

A GLIMPSE AT BREAKTHROUGHS

The chapters that follow will primarily address issues of growth, quality, innovation, and service excellence; very little time will be spent talking about the recognition and reputation that UCLA has achieved. Clearly a book could be written on UCLA's medical breakthroughs alone, but for our purposes, a few highlights should suffice.

In the 1950s, UCLA surgeons performed the first open-heart surgeries on the West Coast of the United States, and researchers

developed the initial techniques for fetal monitoring. In the 1960s, surgeons at UCLA brought the first mother-to-daughter kidney transplants to the western United States. In the 1970s, UCLA physicians and scientists developed a durable artificial hip, and surgeons performed the first shoulder replacement. During the 1980s, UCLA doctors innovated and delivered the first PET scan services and identified the nation's first case of AIDS. In the decade of the 1990s, Dr. Hillel Laks pioneered the first Alternative Heart Transplant Program in the United States and was the first U.S. cardiac surgeon to perform bypass surgery on a donor heart prior to transplantation. In the same time period, UCLA surgeons and transplant specialists were the first in the west to perform a remarkably successful combined small bowel/liver transplant.

Since 2000, doctors and researchers at UCLA Health System have continued to generate innumerable research breakthroughs, innovative accomplishments, and medical firsts. For instance, cardiothoracic surgeons developed a technique to harvest an artery from a patient's wrist for heart bypass surgery, and Dr. Ronald Busuttil performed the nation's first combined unrelated living liver and "domino" transplant in response to the national shortage of livers for transplant. This process essentially saves two patients through one liver donation. The donated liver comes from a nonrelated living donor and is transplanted into a patient with an otherwise genetically deficient liver. The genetically deficient liver is then transplanted into the second patient, who suffers from liver cancer. The genetically deficient liver, while less than perfect, dramatically extends the life expectancy of the patient with liver cancer.

Similarly, a team of more than 50 surgeons, nurses, and technicians led by Dr. Jorge Lazareff and Dr. Henry Kawamoto successfully separated two-year-old craniopagus twin girls from Guatemala in a 22-hour surgery. Fused at the tops of their heads, craniopagus twins are among the rarest of conjoined twins, accounting for just 2 percent of cases worldwide.

UCLA Health System's hospitals also became the world's first to introduce remote presence robots in its neurosurgery intensive-care unit. This allows doctors to "virtually" consult with patients, family members, and healthcare staff at a moment's notice, even if they are miles away from the hospital.

RECOGNITION ABOUND

From the standpoint of peer and organizational recognition, a select few of UCLA Health System's noteworthy achievements include:

- *U.S. News & World Report's* America's Best Hospital Honor Roll consistently ranks Ronald Reagan UCLA Medical Center as one of the top hospitals in the nation and, for more than 21 years, as the best hospital in the western United States. UCLA's nationally recognized programs based in Westwood and in Santa Monica have been ranked among the top 20 in 15 of the 16 medical specialties. At least 12 of those specialties have achieved ranks in the top 10.
- Integrated Healthcare Association consistently ranks UCLA Medical Group as one of California's top-performing physicians' organizations.
- UCLA Medical Group was one of only 6 organizations in California and one of only 28 in the United States to meet the strict standards required to receive a Certificate in Credentialing and Recredentialing through the National Committee for Quality Assurance (NCQA) Physician Organization Certification Program.
- UCLA Stroke Center received the American Heart Association's (AHA) Get with the Guidelines™ Gold Performance Achievement Award for commitment

and success in implementing a higher standard of stroke care by ensuring that stroke patients receive treatment according to nationally accepted standards and recommendations. In fact, UCLA cardiologist Dr. Gregg Fonarow was recognized as generating one of the top research advances for establishing the Cardiovascular Hospitalization Atherosclerosis Management Program guidelines promoted by the AHA.

- The National Cancer Institute has designated the Lung Cancer Program at UCLA Health System's Jonsson Comprehensive Cancer Center a Specialized Program of Research Excellence (SPORE), making it one of only a handful of programs nationwide to receive national recognition and substantial research funding to improve the prevention, detection, and treatment of lung cancer.
- The National Cancer Institute designated UCLA Health System's Prostate Cancer Program as a Specialized Program of Research Excellence, distinguishing the program as one of only a few nationwide that was tapped to improve the prevention, detection, and treatment of prostate cancer.
- National Institutes of Health (NIH) has designated UCLA Health System's prostate cancer and kidney cancer programs as Centers of Excellence according to NIH guidelines.
- UCLA's Jonsson Comprehensive Cancer Center was officially designated by the National Cancer Institute as one of only 40 comprehensive cancer centers in the United States.
- UCLA's Heart Transplant Program was recognized as the nation's best by the U.S. Department of Health and Human Services.

- Ronald Reagan UCLA Medical Center was honored by OneLegacy, the transplant donor network serving southern California, for achieving a high organ conversion rate.
- The American Alliance of Healthcare Providers (AAHP) recognized Ronald Reagan UCLA Medical Center as one of America's Most Customer-Friendly Hospitals in the organization's Hospital of Choice Award.
- Ronald Reagan UCLA Medical Center and Santa Monica-UCLA Medical Center and Orthopaedic Hospital rank among the top three hospitals in Los Angeles County for the highest percentages of mothers discharged from the hospital while feeding their babies exclusively with breast milk.
- UCLA Health System has earned the American Society for Metabolic & Bariatric Surgery (ASMBS) Center of Excellence designation by demonstrating a track record of favorable outcomes in bariatric surgery.
- Ronald Reagan UCLA Medical Center earned Magnet Status for Nursing Excellence from the American Nurses Credentialing Center.
- The Leapfrog Group named Ronald Reagan UCLA Medical Center as a Leapfrog Top Hospital based on results from an annual Leapfrog Hospital Quality and Safety Survey.
- UCLA Medical Group is a qualified data registry under the Physician Quality Reporting Initiative (PQRI), a Medicare pay-for-reporting program. UCLA Medical Group was one of only 10 organizations in the nation affiliated with teaching or academic medical centers to earn this designation from the Centers for Medicare and Medicaid Services (CMS).

- *U.S. News & World Report* ranks Mattel Children's Hospital UCLA among the top pediatric hospitals in the United States.
- Resnick Neuropsychiatric Hospital UCLA consistently ranks number one in the west and number six in the country in *U.S. News & World Report*.
- Ophthalmology services at Jules Stein Eye Institute rank number five in the country in *U.S. News & World Report*.

WHERE IT MATTERS MOST

While breakthroughs and critical acclaim are vital to business success, for the leaders at UCLA Health System, the ultimate validation comes from the countless stories of appreciation offered by the medical professionals that the system trains, the staff members it employs, and the patients it serves. In essence, the greatest measure of success for the UCLA leadership is the degree to which compassionate care matches or exceeds the quality of the clinical outcomes.

Jennifer Rosenthal is one such example of a patient's heartfelt recognition of UCLA's excellence. Jennifer had lapsed into a coma and was taken to a nearby hospital. When doctors at the other hospital could not determine the cause of the liver failure she was experiencing, they airlifted Jennifer to UCLA to evaluate her for a liver transplant. Jennifer notes, "While my transplant was miraculous, it's often the little things that stand out most. For example, the ICU nurses at UCLA brought to the forefront that a dietary supplement I was taking was probably the cause of my liver failure. It wasn't enough for those nurses to provide outstanding acute crisis care for me; they found out why I had experienced such a rapid decline. In the process, they not only helped me get to the source of my liver failure but contributed to an awareness that will protect others. These nurses took their own time to investigate the

supplement on the Internet. Then the doctors took it from there. I was healthy, but when I took the supplement for two weeks at half of the recommended dosage, I ended up in a coma with 48 hours to live.

“The skill, care, compassion, and personal investment of the nursing staff and doctors at UCLA not only saved my life through liver transplantation but prompted me to rethink and change my life as well. I began to realize that I could be a part of giving people a chance to emerge from the precipice of death and go on to live a purposeful and fulfilled life. To that end, I just graduated from nursing school, and I’m waiting to take my boards. I wanted to come back to UCLA, so I worked as a unit secretary, and hoped to soon be working as a nurse on the transplant unit. [Jennifer is now a licensed vocational nurse working in one of UCLA’s outpatient clinics.] I want to give back to patients what UCLA gave to me. I remember some of the feelings I had, and I want to be the nurse who can say to a transplant patient, ‘I’ve been there, and look where I am now; I’ve walked in your shoes.’” Receiving excellent care from talented staff members was not only lifesaving for Jennifer, but transformational and magnetic as well. It was transformational in that she completely changed her career path and magnetic in that it drew her to work at UCLA.

UCLA Health System has a magnetic pull for talent thanks to its compassionate staff. Consistent with his comments in the foreword, A. Eugene Washington, M.D., M.Sc., who became the vice chancellor of UCLA Health Sciences and the dean of the David Geffen School of Medicine at UCLA in 2010, puts it best when he says, “Great people are the lifeblood of great institutions. And we are inarguably one of the world’s preeminent health-sciences campuses today precisely because of our exceptional people.” An organization can have no more significant achievement than the respect and support of the communities it serves and the ability of its talented people to inspire and attract individuals such as Jennifer Rosenthal and Dr. Washington.

AN OUTSIDER'S VIEW

While this is a book about lessons that you can learn and apply from UCLA Health System, it is not solely a discussion of the extraordinary things that the system's leaders and staff members have accomplished. There is much to be learned from leadership missteps and faulty service delivery. For example, you will read about a rather significant set of problems involving patient confidentiality breaches and a period in which patient satisfaction fell below nationwide hospital standards. In every case where a leadership or service breakdown is outlined, lessons will be presented so that you might be able to avert a similar challenge and instead create a breakthrough in your business. Obviously, most of the book will be dedicated to benchmarking what UCLA Health System is doing well, so that you can adapt its ideas, systems, and leadership principles for your setting.

To ease your experience as a reader, I will be referring to UCLA Health System simply as UCLA. In addition, UCLA's primary customers are patients and will routinely be referred to as such. I'm sure you will be able to relate the patient experience examples to the experience of the customers you serve.

While UCLA Health System is a complex entity to study and medical jargon can be daunting, this book is designed for readers both inside and outside of healthcare. Accordingly, its structure and content are meant to be broadly accessible. The book is structured around five key action-oriented principles that, when executed effectively, result in catalytic impact for healthcare-specific and general business success.

These principles are

1. Commit to care.
2. Leave no room for error.
3. Make the best better.

4. Create the future.
5. Service serves us.

By applying these leadership principles, UCLA quickly took a medical school without a dedicated classroom building or hospital and transformed it into a world-renowned center of healthcare excellence. Continued adherence to these principles has guided UCLA to financial strength, social significance, and sustainability, despite its having to operate in the context of swirling political debates, react to volatile government service reimbursement mechanisms, adhere to complex regulatory demands, and respond to aggressive direct competition from other healthcare providers for higher-paying customer groups. All the while, the leadership has been treating not only a large population of California residents, but some of the most ill patients in the United States and the world.

In the vortex of this challenge, change, and complexity, the CEO of UCLA Hospital System, Dr. David Feinberg, offers a singular, simple, and unifying perspective: “We are in the business of taking care of people. It doesn’t matter if you are a doctor, a nurse, or a janitor or if you carry a leadership title, we all must champion and execute on the common goal of coming in every day to make sure we take care of our next patient.”

Whether it’s healthcare, finance, or a neighborhood hair salon, all business starts and ends with a focus on “coming in every day to make sure” you take care of those you serve. In essence, all business is personal. So let’s begin your personal journey into the leadership principles of UCLA Health System.